



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 13 (ending 25/03/2016)

"Success is a science; if you have the conditions, you get the result." – Oscar Wilde

Ireland decreasing government debt at the fastest rate in the euro zone – According to new data from Bloomberg, the State's government debt-to-GDP ratio is expected to drop to an estimated 99.1% this year from 125% in 2013. The debt ratio remains very high on a per capita basis. The ratio was just 26% in 2005.

ECB says EMU is resilient to China shock – The European Central Bank's March Economic Bulletin reports that the euro area economy is more resilient to demand shocks emanating from China than traditional trading data would suggest. They said it is more affected by demand developments in the U.S. rather than China.

Markit reports euro zone growth and deflationary pressure – Markit's composite Purchasing Managers Index of manufacturing and services rose to a three-month high of 53.7 in March from 53 in February. However the survey also pointed to continued weak inflation pressures despite the new stimulus measures.

Global stock market down nearly 1% during the week – Markets moved lower during the week with the MSCI World Index down 0.8% from 21st March to 25th March, reducing the gains clawed back since mid-February. The Irish and Japanese markets bucked the trend with gains of 0.8% and 1.7% respectively.

Cost of hedging sterling hits six-year high – The cost of hedging the pound rose to 2010 levels as the fears surrounding a British exit from the European Union and recent terrorist attacks in Brussels weighed on investor sentiment, surpassing prices seen ahead of last year's U.K. general election and Scotland 2014 referendum.

U.S. fourth-quarter GDP growth revised upwards – A report by the U.S. Commerce Department said U.S. economic growth in the fourth quarter increased at a 1.4% annual rate instead of the previously reported 1% in February. The economy grew at a rate of 2% in the third quarter and rose 2.4% for all of 2015.

The Story of the week: A volunteer at an Easter family charity fun day in Skegness in England was attacked by a visitor who became enraged when organisers ran out of chocolate eggs. Site manager Sue Shelford told the Grimsby Telegraph: "No one volunteers to get assaulted. She was very shaken up, it's not what you expect at a family event."

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 25/03)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-7.7
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-1.1
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-8.4
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	0.1
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-4.7
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-10.7
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	1.1
MSCI World	-7.6	13.1	26.2	7.7	0.2	-3.3
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.;	1.9	1.7	3.0	2.2	2.2	1.9
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.8
Italy	7.1	4.6	4.1	2.1	1.6	1.3
Greece	31.7	12.7	8.2	9.6	7.9	8.4
Portugal	13.4	6.9	6.1	2.7	2.5	2.9
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.78
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.42
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
U.K.	14.5	8.1	2.7	10.7	17.8	13.1 (to end of Q4)
U.S.	14.8	14.5	5.3	11.4	11.2	12.1 (to end of Q4)

*Past performance is not a reliable guide to future performance